

#261



Los Angeles County
Department of Regional Planning
Planning for the Challenges Ahead



Bruce W. McClendon FAICP
Director of Planning

July 31, 2008

TO: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Bruce W. McClendon, FAICP
Director of Planning

A handwritten signature in black ink, appearing to read "B. McClendon".

**SUBJECT: RESPONSE TO BOARD MOTION REGARDING DIAMOND PROPERTIES
(March 25, 2008, Item #5)**

On March 25, 2008, your Board directed the Department of Regional Planning to refer to Consumer Affairs the owners of approximately forty properties purchased from Diamond Properties that were improved inconsistent with development standards and code violations, in order to set up a complaint process for possible restitution. The Board also requested that the Department provide a detailed report of exactly how many properties are involved and the end result of the Consumer Affairs complaint process.

The Department of Regional Planning has met with Consumer Affairs and County Counsel's office in response to the Board motion. The following report is provided in order to address the issues raised in the Board motion.

In early 2003, the Department of Public Works ("DPW"), Building and Safety Division, received complaints of questionable building activities in the Florence-Firestone and West Athens areas. In response to the complaints, the Auditor-Controller, Department of Consumer Affairs, DPW, and the Sheriff initiated investigations. The investigations revealed that from early 2001 through late 2002, Ajim Baksh, and developers David Vivanco, John Cochran and Brad Ammann obtained residential building permits for general rehabilitation of existing single-family dwellings. However, contrary to what was indicated on the permit applications, Baksh added onto or demolished dwellings to construct brand new duplexes. In the process, Baksh violated provisions of the Los Angeles County Building and Zoning Codes ("County Code"). The developers sold the properties with various code violations to unsuspecting home buyers. A total of forty properties were developed in this manner.

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Since early 2003, DPW and the Department of Regional Planning ("DRP") have worked with the contractor, the developers and the property owners to bring the subject properties into compliance with the County Code. Due to the magnitude of the corrective measures required on some of the properties, voluntary compliance was not forthcoming in all situations. Accordingly, County Counsel's office filed the lawsuit against Baksh and the developers to resolve the numerous outstanding code violations.

Pursuant to an agreement with the District Attorney's Office, the lawsuit was initiated under the California Unfair Competition Act. The lawsuit alleged that the defendants engaged in unlawful business practices by submitting fraudulent building permit applications and by developing residential properties in violation of the County Code. The lawsuit sought a judgment for injunctive relief to prevent the defendants from engaging in future unfair business practices, the correction of the outstanding code violations, compensation to the persons who purchased the properties to correct the code violations, and civil penalties against the defendants for engaging in the unfair business practices.

The court, in February of 2007, entered a judgment in the County's favor in the above referenced case, thereby successfully concluding the litigation. The judgment requires defendants to pay civil penalties to the county, permanently enjoins them from developing properties in violation of the Los Angeles County Code in the future and requires them to bring all properties into compliance with the Code.

Of the initial forty properties, so far, all but six have been brought into full compliance with the County Code. These six properties have pending variance/conditional use permit applications before the Regional Planning Commission.

In light of the settlement with the defendants which includes penalties and assurances for bringing all properties into compliance, Consumer Affairs reports that the establishment of a complaint process for possible restitution is not necessary. County Counsel also concurs.

Attached please find two attachments - the first dated July 24, 2008 provides permit status information on sixteen properties that were the focus of the most recent corrective measures (six properties have pending applications). The second attachment, dated March 12, 2003 identifies the forty properties that were initially investigated. If you would like further information please contact me or Mr. Sorin Alexanian of my staff at (213) 974-6441.

BWM:SA:ic

Attachments

c: Chief Executive Officer
Consumer Affairs
County Counsel
Executive Officer, Board of Supervisors
Director of Department of Public Works

Address	APN	Permit #	Permit Status	Date	Zone	Permitting Authority (Required)	
1 1432 E. 61st Street	6008-029-008	PP200600641 (yard mod)	Approved	10/16/2006	R-3	3/1	50x140
2 1733 E. 61st Street	6009-008-019	RPP200602013	Approved	12/20/2006	R-4	3/1	50x135
3 1237 E. 77th Place	6024-014-022	VART2006000008(JB)	Pending	3/17/2008	R-3	3/1	40x124
4 1241-3 E. 77th Place	6024-014-021	VART2006000007(JB)	Pending	3/12/2008	R-3	3/1	40x124
5 1304 W. 90th Place	6047-017-003	RPP200800480	Approved	5/28/2008	R-2	3/1	45x135
6 8828 Beach Street	6044-014-012	VART2006000004(JB)	Pending	6/3/2008	R-2	3/1	(25+6)x168.08
7 8634 Holmes Ave	6044-017-012	PPT200400319	Approved	1/16/2007	R-2	3/1	(25+16)x135
8 8710 Mary Ave	6043-019-017	VART2006000009(KS)	Approved	1/14/2008	R-2	3/1	51x100
9 1406 E. 58th Place	6008-019-014	N/A	N/A	N/A	M-1	3/1	50x110.5
10 1341 W. 89th St	6047-007-020	PP200600643	Approved	5/7/2008	R-2	3/1	40x152
11 1242 E 87th Place	6043-015-008	PP48884	Approved	5/8/2006	R-2		40x127.5
12 1318-20 W 92nd St	6056-001-016	PP200600613	Approved	5/8/2006	R-2	3/1	40x135.02
13 1455 W. 97th St	6055-011-042	VA03-331	Pending	4/14/2004	R-2	3/1	41x124.76
14 1459 W. 97th St	6055-011-041	PP200501684	Pending	11/29/2005	R-2		40.63x124.76
15 8805 Fir Ave	6045-013-019	PP200600644	Approved	9/12/2006	R-2	3/1	50x135
16 9607 S. Vermont	6056-014-025	RCUPT200500216	Pending	12/10/2007	C-3		40x120
							Additional info requested

FIRESTONE 40 CASES

UPDATED ON: 3-12-03 TIME: 9:30 AM

ADDRESS	Notice/ Revoke issued	PP	LD- BD	Photos	Utility Dis- conne ct	B&S Per- mits	Assr's Foot- print	45 Day Letter	Comments
1352 E. 61 St. 6008-030-004		X	X	X		X		3-11-03	Suspended
1432 E. 61 St. 6008-029-008		X	X	X				3-11-03	Revoked
1733 E. 61 St. 6009-008-019		X	X	X		X		3-11-03	Suspended
1243 E. 76 St.						X			2-25-03 MP has file.
1237-39 E. 77 Pl. 6024-014-022	X	X	X	X		X		3-3-03	Hold disc. - occupied
1241-43 E. 77 Pl. 6024-014-021		X	X	X				3-11-03	check existing permits Revoked
1711 E. 85 St. 6027-029-021			X	X		X		3-11-03	Demo. 800sf duplex Suspended
1242 E. 87 St. 6043-014-008		X	X	X				3-11-03	Revoked
1607 E. 87 Pl. 6044-002-037	X	X	X	X	X	X		3-4-03	
1615 E. 87 Pl. 6044-002-034		X	X	X		O			Need copies of building permits.
1341 W. 89 St. 6047-007-020		X	X	X				3-11-03	Revoked
1304 W. 90 Pl. 6047-017-003		X	X	X				3-11-03	Revoked
1347-49 W. 91 St.				X					Vacant Lot - Next to 9066 S. Normandie
1351-53 W. 91 St.				X					Vacant Lot east of 9066 S. Normandie
1117 E. 92 St. 6043-008-014	X	X	X	X		X		3-4-03	
1119 E. 92 St. 6043-008-023	X	X	X	X	X	X		3-4-03	
1318 W. 92 St. 6056-001-016	X	X	X	X	X	X		3-3-03	
1455 W. 97 ST.	X	X	X	X	X	X		3-4-03	
1459-59 ½ W. 97 ST. 6055-011-041						X			Res. Revitalization
1026 W. 99 St. 6056-019-025	X	X	X	X	X	X		3-3-03	Edison only disc.
1030-32 W. 99 St. 6056-019-029						X			Res. Revitalization
1237 W. 101 St. 6060-002-006	X	X	X	X	X	X		3-3-03	

MAR 12 2003

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